

Union Calendar No. 39

104TH CONGRESS
1ST SESSION

H. R. 1135

[Report No. 104-77]

A BILL

To improve the commodity distribution programs of the Department of Agriculture, to reform and simplify the Food Stamp Program, and for other purposes.

MARCH 14, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 1995

Mr. ROBERTS introduced the following bill; which was referred to the Committee on Agriculture

MARCH 14, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 6, 1995]

A BILL

To improve the commodity distribution programs of the Department of Agriculture, to reform and simplify the Food Stamp Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Food Stamp Reform*
3 *and Commodity Distribution Act”.*

4 **TITLE I—COMMODITY**
5 **DISTRIBUTION PROVISIONS**

6 **SEC. 101. SHORT TITLE.**

7 *This title may be cited as the “Commodity Distribu-*
8 *tion Act of 1995”.*

9 **SEC. 102. AVAILABILITY OF COMMODITIES.**

10 *(a) Notwithstanding any other provision of law, the*
11 *Secretary of Agriculture (hereinafter in this title referred*
12 *to as the “Secretary”) is authorized during fiscal years*
13 *1996 through 2000 to purchase a variety of nutritious and*
14 *useful commodities and distribute such commodities to the*
15 *States for distribution in accordance with this title.*

16 *(b) In addition to the commodities described in sub-*
17 *section (a), the Secretary may expend funds made available*
18 *to carry out the section 32 of the Act of August 24, 1935*
19 *(7 U.S.C. 612c), which are not expended or needed to carry*
20 *out such sections, to purchase, process, and distribute com-*
21 *modities of the types customarily purchased under such sec-*
22 *tion to the States for distribution in accordance with this*
23 *title.*

24 *(c) In addition to the commodities described in sub-*
25 *sections (a) and (b), agricultural commodities and the prod-*
26 *ucts thereof made available under clause (2) of the second*

1 sentence of section 32 of the Act of August 24, 1935 (7
2 U.S.C. 612c), may be made available by the Secretary to
3 the States for distribution in accordance with this title.

4 (d) In addition to the commodities described in sub-
5 sections (a), (b), and (c), commodities acquired by the Com-
6 modity Credit Corporation that the Secretary determines,
7 in the discretion of the Secretary, are in excess of quantities
8 needed to—

9 (1) carry out other domestic donation programs;

10 (2) meet other domestic obligations;

11 (3) meet international market development and
12 food aid commitments; and

13 (4) carry out the farm price and income sta-
14 bilization purposes of the Agricultural Adjustment
15 Act of 1938, the Agricultural Act of 1949, and the
16 Commodity Credit Corporation Charter Act;

17 shall be made available by the Secretary, without charge
18 or credit for such commodities, to the States for distribution
19 in accordance with this title.

20 (e) During each fiscal year, the types, varieties and
21 amounts of commodities to be purchased under this title
22 shall be determined by the Secretary. In purchasing such
23 commodities, except those commodities purchased pursuant
24 to section 110, the Secretary shall, to the extent practicable
25 and appropriate, make purchases based on—

1 (1) *agricultural market conditions;*

2 (2) *the preferences and needs of States and dis-*
3 *tributing agencies; and*

4 (3) *the preferences of the recipients.*

5 **SEC. 103. STATE, LOCAL AND PRIVATE SUPPLEMENTATION**
6 **OF COMMODITIES.**

7 (a) *The Secretary shall establish procedures under*
8 *which State and local agencies, recipient agencies, or any*
9 *other entity or person may supplement the commodities dis-*
10 *tributed under this title for use by recipient agencies with*
11 *nutritious and wholesome commodities that such entities or*
12 *persons donate for distribution, in all or part of the State,*
13 *in addition to the commodities otherwise made available*
14 *under this title.*

15 (b) *States and eligible recipient agencies may use—*

16 (1) *the funds appropriated for administrative*
17 *cost under section 109(b);*

18 (2) *equipment, structures, vehicles, and all other*
19 *facilities involved in the storage, handling, or dis-*
20 *tribution of commodities made available under this*
21 *title; and*

22 (3) *the personnel, both paid or volunteer, in-*
23 *involved in such storage, handling, or distribution;*
24 *to store, handle or distribute commodities donated for use*
25 *under subsection (a).*

1 (c) *States and recipient agencies shall continue, to the*
2 *maximum extent practical, to use volunteer workers, and*
3 *commodities and other foodstuffs donated by charitable and*
4 *other organizations, in the distribution of commodities*
5 *under this title.*

6 **SEC. 104. STATE PLAN.**

7 (a) *A State seeking to receive commodities under this*
8 *title shall submit a plan of operation and administration*
9 *every four years to the Secretary for approval. The plan*
10 *may be amended at any time, with the approval of the Sec-*
11 *retary.*

12 (b) *The State plan, at a minimum, shall—*

13 (1) *designate the State agency responsible for*
14 *distributing the commodities received under this title;*

15 (2) *set forth a plan of operation and administra-*
16 *tion to expeditiously distribute commodities under*
17 *this title in quantities requested to eligible recipient*
18 *agencies in accordance with sections 106 and 110;*

19 (3) *set forth the standards of eligibility for recip-*
20 *ient agencies; and*

21 (4) *set forth the standards of eligibility for indi-*
22 *vidual or household recipients of commodities, which*
23 *at minimum shall require—*

24 (A) *individuals or households to be com-*
25 *prised of needy persons; and*

1 (B) individual or household members to be
2 residing in the geographic location served by the
3 distributing agency at the time of application for
4 assistance.

5 (c) The Secretary shall encourage each State receiving
6 commodities under this title to establish a State advisory
7 board consisting of representatives of all interested entities,
8 both public and private, in the distribution of commodities
9 received under this title in the State.

10 (d) A State agency receiving commodities under this
11 title may—

12 (1)(A) enter into cooperative agreements with
13 State agencies of other States to jointly provide com-
14 modities received under this title to eligible recipient
15 agencies that serve needy persons in a single geo-
16 graphical area which includes such States; or

17 (B) transfer commodities received under this title
18 to any such eligible recipient agency in the other
19 State under such agreement; and

20 (2) advise the Secretary of an agreement entered
21 into under this subsection and the transfer of com-
22 modities made pursuant to such agreement.

1 **SEC. 105. ALLOCATION OF COMMODITIES TO STATES.**

2 (a) *In each fiscal year, except for those commodities*
3 *purchased under section 110, the Secretary shall allocate*
4 *the commodities distributed under this title as follows:*

5 (1) *60 percent of the such total value of commod-*
6 *ities shall be allocated in a manner such that the*
7 *value of commodities allocated to each State bears the*
8 *same ratio to 60 percent of such total value as the*
9 *number of persons in households within the State hav-*
10 *ing incomes below the poverty line bears to the total*
11 *number of persons in households within all States*
12 *having incomes below such poverty line. Each State*
13 *shall receive the value of commodities allocated under*
14 *this paragraph.*

15 (2) *40 percent of such total value of commodities*
16 *shall be allocated in a manner such that the value of*
17 *commodities allocated to each State bears the same*
18 *ratio to 40 percent of such total value as the average*
19 *monthly number of unemployed persons within the*
20 *State bears to the average monthly number of unem-*
21 *ployed persons within all States during the same fis-*
22 *cal year. Each State shall receive the value of com-*
23 *modities allocated to the State under this paragraph.*

24 (b)(1) *The Secretary shall notify each State of the*
25 *amount of commodities that such State is allotted to receive*
26 *under subsection (a) or this subsection, if applicable. Each*

1 *State shall promptly notify the Secretary if such State de-*
2 *termines that it will not accept any or all of the commod-*
3 *ities made available under such allocation. On such a noti-*
4 *fication by a State, the Secretary shall reallocate and dis-*
5 *tribute such commodities as the Secretary deems appro-*
6 *priate and equitable. The Secretary shall further establish*
7 *procedures to permit States to decline to receive portions*
8 *of such allocation during each fiscal year as the State deter-*
9 *mines is appropriate and the Secretary shall reallocate and*
10 *distribute such allocation as the Secretary deems appro-*
11 *priate and equitable.*

12 (2) *In the event of any drought, flood, hurricane, or*
13 *other natural disaster affecting substantial numbers of per-*
14 *sons in a State, county, or parish, the Secretary may re-*
15 *quest that States unaffected by such a disaster consider as-*
16 *sisting affected States by allowing the Secretary to reallo-*
17 *cate commodities from such unaffected State to States con-*
18 *taining areas adversely affected by the disaster.*

19 (c) *Purchases of commodities under this title shall be*
20 *made by the Secretary at such times and under such condi-*
21 *tions as the Secretary determines appropriate within each*
22 *fiscal year. All commodities so purchased for each such fis-*
23 *cal year shall be delivered at reasonable intervals to States*
24 *based on the allocations and reallocations made under sub-*

1 sections (a) and (b), and or carry out section 110, not later
2 than December 31 of the following fiscal year.

3 **SEC. 106. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF**
4 **COMMODITIES.**

5 (a) In distributing the commodities allocated under
6 subsections (a) and (b) of section 105, the State agency,
7 under procedures determined by the State agency, shall
8 offer, or otherwise make available, its full allocation of com-
9 modities for distribution to emergency feeding organiza-
10 tions.

11 (b) If the State agency determines that the State will
12 not exhaust the commodities allocated under subsections (a)
13 and (b) of section 105 through distribution to organizations
14 referred to in subsection (a), its remaining allocation of
15 commodities shall be distributed to charitable institutions
16 described in section 113(3) not receiving commodities under
17 subsection (a).

18 (c) If the State agency determines that the State will
19 not exhaust the commodities allocated under subsections (a)
20 and (b) of section 105 through distribution to organizations
21 referred to in subsections (a) and (b), its remaining alloca-
22 tion of commodities shall be distributed to any eligible re-
23 cipient agency not receiving commodities under subsections
24 (a) and (b).

1 **SEC. 107. INITIAL PROCESSING COSTS.**

2 *The Secretary may use funds of the Commodity Credit*
3 *Corporation to pay the costs of initial processing and pack-*
4 *aging of commodities to be distributed under this title into*
5 *forms and in quantities suitable, as determined by the Sec-*
6 *retary, for use by the individual households or eligible recip-*
7 *ient agencies, as applicable. The Secretary may pay such*
8 *costs in the form of Corporation-owned commodities equal*
9 *in value to such costs. The Secretary shall ensure that any*
10 *such payments in kind will not displace commercial sales*
11 *of such commodities.*

12 **SEC. 108. ASSURANCES; ANTICIPATED USE.**

13 *(a) The Secretary shall take such precautions as the*
14 *Secretary deems necessary to ensure that commodities made*
15 *available under this title will not displace commercial sales*
16 *of such commodities or the products thereof. The Secretary*
17 *shall submit to the Committee on Agriculture of the House*
18 *of Representatives and the Committee on Agriculture, Nu-*
19 *trition, and Forestry of the Senate by December 31, 1997,*
20 *and not less than every two years thereafter, a report as*
21 *to whether and to what extent such displacements or substi-*
22 *tutions are occurring.*

23 *(b) The Secretary shall determine that commodities*
24 *provided under this title shall be purchased and distributed*
25 *only in quantities that can be consumed without waste. No*
26 *eligible recipient agency may receive commodities under*

1 *this title in excess of anticipated use, based on inventory*
2 *records and controls, or in excess of its ability to accept*
3 *and store such commodities.*

4 ***SEC. 109. AUTHORIZATION OF APPROPRIATIONS.***

5 *(a) PURCHASE OF COMMODITIES.—To carry out this*
6 *title, there are authorized to be appropriated \$260,000,000*
7 *for each of the fiscal years 1996 through 2000 to purchase,*
8 *process, and distribute commodities to the States in accord-*
9 *ance with this title.*

10 *(b) ADMINISTRATIVE FUNDS.—(1) There are author-*
11 *ized to be appropriated \$40,000,000 for each of the fiscal*
12 *years 1996 through 2000 for the Secretary to make available*
13 *to the States for State and local payments for costs associ-*
14 *ated with the distribution of commodities by eligible recipi-*
15 *ent agencies under this title, excluding costs associated with*
16 *the distribution of those commodities distributed under sec-*
17 *tion 110. Funds appropriated under this paragraph for any*
18 *fiscal year shall be allocated to the States on an advance*
19 *basis dividing such funds among the States in the same pro-*
20 *portions as the commodities distributed under this title for*
21 *such fiscal year are allocated among the States. If a State*
22 *agency is unable to use all of the funds so allocated to it,*
23 *the Secretary shall reallocate such unused funds among the*
24 *other States in a manner the Secretary deems appropriate*
25 *and equitable.*

1 (2)(A) A State shall make available in each fiscal year
2 to eligible recipient agencies in the State not less than 40
3 percent of the funds received by the State under paragraph
4 (1) for such fiscal year, as necessary to pay for, or provide
5 advance payments to cover, the allowable expenses of eligible
6 recipient agencies for distributing commodities to needy
7 persons, but only to the extent such expenses are actually
8 so incurred by such recipient agencies.

9 (B) As used in this paragraph, the term “allowable
10 expenses” includes—

11 (i) costs of transporting, storing, handling, re-
12 packaging, processing, and distributing commodities
13 incurred after such commodities are received by eligi-
14 ble recipient agencies;

15 (ii) costs associated with determinations of eligi-
16 bility, verification, and documentation;

17 (iii) costs of providing information to persons
18 receiving commodities under this title concerning the
19 appropriate storage and preparation of such commod-
20 ities; and

21 (iv) costs of recordkeeping, auditing, and other
22 administrative procedures required for participation
23 in the program under this title.

24 (C) If a State makes a payment, using State funds,
25 to cover allowable expenses of eligible recipient agencies, the

1 amount of such payment shall be counted toward the
2 amount a State must make available for allowable expenses
3 of recipient agencies under this paragraph.

4 (3) States to which funds are allocated for a fiscal year
5 under this subsection shall submit financial reports to the
6 Secretary, on a regular basis, as to the use of such funds.
7 No such funds may be used by States or eligible recipient
8 agencies for costs other than those involved in covering the
9 expenses related to the distribution of commodities by eligi-
10 ble recipient agencies.

11 (4)(A) Except as provided in subparagraph (B), to be
12 eligible to receive funds under this subsection, a State shall
13 provide in cash or in kind (according to procedures ap-
14 proved by the Secretary for certifying these in-kind con-
15 tributions) from non-Federal sources a contribution equal
16 to the difference between—

17 (i) the amount of such funds so received; and

18 (ii) any part of the amount allocated to the
19 State and paid by the State—

20 (I) to eligible recipient agencies; or

21 (II) for the allowable expenses of such recip-
22 ient agencies;

23 for use in carrying out this title.

24 (B) Funds allocated to a State under this section may,
25 upon State request, be allocated before States satisfy the

1 *matching requirement specified in subparagraph (A), based*
2 *on the estimated contribution required. The Secretary shall*
3 *periodically reconcile estimated and actual contributions*
4 *and adjust allocations to the State to correct for overpay-*
5 *ments and underpayments.*

6 *(C) Any funds distributed for administrative costs*
7 *under section 110(b) shall not be covered by this paragraph.*

8 *(5) States may not charge for commodities made avail-*
9 *able to eligible recipient agencies, and may not pass on to*
10 *such recipient agencies the cost of any matching require-*
11 *ments, under this title.*

12 *(c) The value of the commodities made available under*
13 *subsection (c) and (d) of section 102, and the funds of the*
14 *Commodity Credit Corporation used to pay the costs of ini-*
15 *tial processing, packaging (including forms suitable for*
16 *home use), and delivering commodities to the States shall*
17 *not be charged against appropriations authorized by this*
18 *section.*

19 **SEC. 110. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

20 *(a) From the funds appropriated under section 109(a),*
21 *\$94,500,000 shall be used for each fiscal year to purchase*
22 *and distribute commodities to supplemental feeding pro-*
23 *grams serving women, infants, and children or elderly indi-*
24 *viduals (hereinafter in this section referred to as the “com-*

1 *modity supplemental food program”), or serving both*
2 *groups wherever located.*

3 *(b) Not more than 20 percent of the funds made avail-*
4 *able under subsection (a) shall be made available to the*
5 *States for State and local payments of administrative costs*
6 *associated with the distribution of commodities by eligible*
7 *recipient agencies under this section. Administrative costs*
8 *for the purposes of the commodity supplemental food pro-*
9 *gram shall include, but not be limited to, expenses for infor-*
10 *mation and referral, operation, monitoring, nutrition edu-*
11 *cation, start-up costs, and general administration, includ-*
12 *ing staff, warehouse and transportation personnel, insur-*
13 *ance, and administration of the State or local office.*

14 *(c)(1) During each fiscal year the commodity supple-*
15 *mental food program is in operation, the types, varieties,*
16 *and amounts of commodities to be purchased under this sec-*
17 *tion shall be determined by the Secretary, but, if the Sec-*
18 *retary proposes to make any significant changes in the*
19 *types, varieties or amounts from those that were available*
20 *or were planned at the beginning of the fiscal year the Sec-*
21 *retary shall report such changes before implementation to*
22 *the Committee on Agriculture of the House of Representa-*
23 *tives and the Committee on Agriculture, Nutrition, and*
24 *Forestry of the Senate.*

1 (2) Notwithstanding any other provision of law, the
2 Commodity Credit Corporation shall, to the extent that the
3 Commodity Credit Corporation inventory levels permit,
4 provide not less than 9,000,000 pounds of cheese and not
5 less than 4,000,000 pounds of nonfat dry milk in each of
6 the fiscal years 1996 through 2000 to the Secretary. The
7 Secretary shall use such amounts of cheese and nonfat dry
8 milk to carry out the commodity supplemental food pro-
9 gram before the end of the fiscal year.

10 (d) The Secretary shall, in each fiscal year, approve
11 applications of additional sites for the program, including
12 sites that serve only elderly persons, in areas in which the
13 program currently does not operate, to the full extent that
14 applications can be approved within the appropriations
15 available for the program for the fiscal year and without
16 reducing actual participation levels (including participa-
17 tion of elderly persons under subsection (e)) in areas in
18 which the program is in effect.

19 (e) If a local agency that administers the commodity
20 supplemental food program determines that the amount of
21 funds made available to the agency to carry out this section
22 exceeds the amount of funds necessary to provide assistance
23 under such program to women, infants, and children, the
24 agency, with the approval of the Secretary, may permit

1 *low-income elderly persons (as defined by the Secretary) to*
2 *participate in and be served by such program.*

3 *(f)(1) If it is necessary for the Secretary to pay a sig-*
4 *nificantly higher than expected price for one or more types*
5 *of commodities purchased under this section, the Secretary*
6 *shall promptly determine whether the price is likely to cause*
7 *the number of persons that can be served in the program*
8 *in a fiscal year to decline.*

9 *(2) If the Secretary determines that such a decline*
10 *would occur, the Secretary shall promptly notify the State*
11 *agencies charged with operating the program of the decline*
12 *and shall ensure that a State agency notify all local agen-*
13 *cies operating the program in the State of the decline.*

14 *(g) Commodities distributed to States pursuant to this*
15 *section shall not be considered in determining the commod-*
16 *ity allocation to each State under section 105 or priority*
17 *of distribution under 106.*

18 **SEC. 111. COMMODITIES NOT INCOME.**

19 *Notwithstanding any other provision of law, commod-*
20 *ities distributed under this title shall not be considered in-*
21 *come or resources for purposes of determining recipient eli-*
22 *gibility under any Federal, State, or local means-tested pro-*
23 *gram.*

1 **SEC. 112. PROHIBITION AGAINST CERTAIN STATE CHARGES.**

2 *Whenever a commodity is made available without*
3 *charge or credit under this title by the Secretary for dis-*
4 *tribution within the States to eligible recipient agencies, the*
5 *State may not charge recipient agencies any amount that*
6 *is in excess of the State's direct costs of storing, and trans-*
7 *porting to recipient agencies the commodities minus any*
8 *amount the Secretary provides the State for the costs of stor-*
9 *ing and transporting such commodities.*

10 **SEC. 113. DEFINITIONS.**

11 *As used in this title:*

12 *(1) The term "average monthly number of unem-*
13 *ployed persons" means the average monthly number*
14 *of unemployed persons within a State in the most re-*
15 *cent fiscal year for which such information is avail-*
16 *able as determined by the Bureau of Labor Statistics*
17 *of the Department of Labor.*

18 *(2) The term "elderly persons" means individ-*
19 *uals 60 years of age or older.*

20 *(3) The term "eligible recipient agency" means*
21 *a public or nonprofit organization that administers—*

22 *(A) an institution providing commodities to*
23 *supplemental feeding programs serving women,*
24 *infants, and children or serving elderly persons,*
25 *or serving both groups;*

26 *(B) an emergency feeding organization;*

1 (C) a charitable institution (including a
2 hospitals and retirement home, but excluding a
3 penal institution) to the extent that such institu-
4 tion serves needy persons;

5 (D) a summer camp for children, or a child
6 nutrition program providing food service;

7 (E) a nutrition project operating under the
8 Older Americans Act of 1965, including such
9 project that operates a congregate nutrition site
10 and a project that provides home-delivered meals;
11 or

12 (F) a disaster relief program;
13 and that has been designated by the appropriate State
14 agency, or by the Secretary, and approved by the Sec-
15 retary for participation in the program established
16 under this title.

17 (4) The term “emergency feeding organization”
18 means a public or nonprofit organization that ad-
19 ministers activities and projects (including the activi-
20 ties and projects of a charitable institution, a food
21 bank, a food pantry, a hunger relief center, a soup
22 kitchen, or a similar public or private nonprofit eligi-
23 ble recipient agency) providing nutrition assistance to
24 relieve situations of emergency and distress through

1 *the provision of food to needy persons, including low-*
2 *income and unemployed persons.*

3 (5) *The term “food bank” means a public and*
4 *charitable institution that maintains an established*
5 *operation involving the provision of food or edible*
6 *commodities, or the products thereof, to food pantries,*
7 *soup kitchens, hunger relief centers, or other food or*
8 *feeding centers that, as an integral part of their nor-*
9 *mal activities, provide meals or food to feed needy*
10 *persons on a regular basis.*

11 (6) *The term “food pantry” means a public or*
12 *private nonprofit organization that distributes food to*
13 *low-income and unemployed households, including*
14 *food from sources other than the Department of Agri-*
15 *culture, to relieve situations of emergency and dis-*
16 *tress.*

17 (7) *The term “needy persons” means—*

18 (A) *individuals who have low incomes or*
19 *who are unemployed, as determined by the State*
20 *(in no event shall the income of such individual*
21 *or household exceed 185 percent of the poverty*
22 *line);*

23 (B) *households certified as eligible to par-*
24 *ticipate in the food stamp program under the*

1 *Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);*

2 *or*

3 *(C) individuals or households participating*
4 *in any other Federal, or federally assisted,*
5 *means-tested program.*

6 *(8) The term “poverty line” has the same mean-*
7 *ing given such term in section 673(2) of the Commu-*
8 *nity Services Block Grant Act (42 U.S.C. 9902(2)).*

9 *(9) The term “soup kitchen” means a public and*
10 *charitable institution that, as integral part of its nor-*
11 *mal activities, maintains an established feeding oper-*
12 *ation to provide food to needy homeless persons on a*
13 *regular basis.*

14 **SEC. 114. REGULATIONS.**

15 *(a) The Secretary shall issue regulations within 120*
16 *days to implement this title.*

17 *(b) In administering this subtitle, the Secretary shall*
18 *minimize, to the maximum extent practicable, the regu-*
19 *latory, recordkeeping, and paperwork requirements imposed*
20 *on eligible recipient agencies.*

21 *(c) The Secretary shall as early as feasible but not later*
22 *than the beginning of each fiscal year, publish in the Fed-*
23 *eral Register a nonbinding estimate of the types and quan-*
24 *tities of commodities that the Secretary anticipates are like-*

1 ly to be made available under the commodity distribution
2 program under this title during the fiscal year.

3 (d) The regulations issued by the Secretary under this
4 section shall include provisions that set standards with re-
5 spect to liability for commodity losses for the commodities
6 distributed under this title in situations in which there is
7 no evidence of negligence or fraud, and conditions for pay-
8 ment to cover such losses. Such provisions shall take into
9 consideration the special needs and circumstances of eligible
10 recipient agencies.

11 **SEC. 115. FINALITY OF DETERMINATIONS.**

12 Determinations made by the Secretary under this title
13 and the facts constituting the basis for any donation of com-
14 modities under this title, or the amount thereof, when offi-
15 cially determined in conformity with the applicable regula-
16 tions prescribed by the Secretary, shall be final and conclu-
17 sive and shall not be reviewable by any other officer or agen-
18 cy of the Government.

19 **SEC. 116. SALE OF COMMODITIES PROHIBITED.**

20 Except as otherwise provided in section 107, none of
21 the commodities distributed under this title shall be sold
22 or otherwise disposed of in commercial channels in any
23 form.

1 **SEC. 117. SETTLEMENT AND ADJUSTMENT OF CLAIMS.**

2 (a) *The Secretary, or a designee of the Secretary, shall*
3 *have the authority to—*

4 (1) *determine the amount of, settle, and adjust*
5 *any claim arising under this title; and*

6 (2) *waive such a claim if the Secretary deter-*
7 *mines that to do so will serve the purposes of this*
8 *title.*

9 (b) *Nothing contained in this section shall be construed*
10 *to diminish the authority of the Attorney General of the*
11 *United States under section 516 of title 28, United States*
12 *Code, to conduct litigation on behalf of the United States.*

13 **SEC. 118. REPEALERS; AMENDMENTS.**

14 (a) *The Emergency Food Assistance Act of 1983 (7*
15 *U.S.C. 612c note) is repealed.*

16 (b) *AMENDMENTS.—*

17 (1) *The Hunger Prevention Act of 1988 (7*
18 *U.S.C. 612c note) is amended—*

19 (A) *by striking section 110;*

20 (B) *by striking subtitle C of title II; and*

21 (C) *by striking section 502.*

22 (2) *The Commodity Distribution Reform Act*
23 *and WIC Amendments of 1987 (7 U.S.C. 612c note)*
24 *is amended by striking section 4.*

1 (3) *The Charitable Assistance and Food Bank*
2 *Act of 1987 (7 U.S.C. 612c note) is amended by strik-*
3 *ing section 3.*

4 (4) *The Food Security Act of 1985 (7 U.S.C.*
5 *612c note) is amended—*

6 (A) *by striking section 1571; and*

7 (B) *in section 1562(d), by striking “section*
8 *4 of the Agricultural and Consumer Protection*
9 *Act of 1973” and inserting “section 110 of the*
10 *Commodity Distribution Act of 1995”.*

11 (5) *The Agricultural and Consumer Protection*
12 *Act of 1973 (7 U.S.C. 612c note) is amended—*

13 (A) *in section 4(a), by striking “institutions*
14 *(including hospitals and facilities caring for*
15 *needy infants and children), supplemental feed-*
16 *ing programs serving women, infants and chil-*
17 *dren or elderly persons, or both, wherever located,*
18 *disaster areas, summer camps for children” and*
19 *inserting “disaster areas”;*

20 (B) *in subsection 4(c), by striking “the*
21 *Emergency Food Assistance Act of 1983” and in-*
22 *serting “the Commodity Distribution Act of*
23 *1995”;* and

24 (C) *by striking section 5.*

1 (6) *The Food, Agriculture, Conservation, and*
2 *Trade Act of 1990 (7 U.S.C. 612c note) is amended*
3 *by striking section 1773(f).*

4 ***TITLE II—SIMPLIFICATION AND REFORM***
5 ***OF FOOD STAMP PROGRAM***

6 ***SEC. 201. SHORT TITLE.***

7 *This title may be cited as the “Food Stamp Sim-*
8 *plification and Reform Act of 1995”.*

9 ***Subtitle A—Simplified Food Stamp Program***
10 ***and State Assistance for Needy Families***

11 ***SEC. 202. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP***
12 ***PROGRAM.***

13 *Section 4(a) of the Food Stamp Act of 1977 (7 U.S.C.*
14 *2013(a)) is amended—*

15 *(1) by inserting “(1)” after “(a)”;* and

16 *(2) by adding at the end the following new para-*
17 *graph:*

18 *“(2) At the request of the State agency, a State may*
19 *operate a program, as provided in section 24, within the*
20 *State or any political subdivisions within the State in*
21 *which households with one or more members receiving regu-*
22 *lar cash benefits under the program established by the State*
23 *under the Temporary Assistance for Needy Families Block*
24 *Grant be issued food stamp benefits in accordance with the*
25 *rules and procedures established—*

1 “(A) by the State under the Temporary Assist-
 2 ance for Needy Families Block Grant or this Act; or
 3 “(B) under the food stamp program.”.

4 **SEC. 203. SIMPLIFIED FOOD STAMP PROGRAM.**

5 (a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et
 6 seq.) is amended by adding the following new section:

7 **“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

8 “(a) If a State elects to operate a program under sec-
 9 tion 4(a)(2) within the State or any political subdivision
 10 within the State—

11 “(1) households in which all members receive reg-
 12 ular cash benefits under the program established by
 13 the State under the Temporary Assistance for Needy
 14 Families Block Grant shall be automatically eligible
 15 to participate in the food stamp program;

16 “(2) benefits under such program shall be deter-
 17 mined under the rules and procedures established by
 18 the State or political subdivision under the Tem-
 19 porary Assistance for Needy Families Block Grant or
 20 under the food stamp program, subject to subsection
 21 (g).

22 “(b) In approving a State plan to carry out a program
 23 under section 4(a)(2), the Secretary shall certify that the
 24 average level of food stamp benefits per household partici-
 25 pating in the program under such section for the State or

1 *political subdivision in which such program is in operation*
2 *is not expected to exceed the average level of food stamp*
3 *benefits per household that received benefits under the pro-*
4 *gram established by a State under the part A of title IV*
5 *of the Social Security Act (42 U.S.C. 601 et seq.) in such*
6 *area in the preceding fiscal year, adjusted for any changes*
7 *in the thrifty food plan under section 3(o). The Secretary*
8 *shall compute the permissible average level of food stamp*
9 *benefits per household each year for each State or political*
10 *subdivision in which such program is in operation and*
11 *may require a State to report any information necessary*
12 *to make such computation.*

13 “(c) *When the Secretary determines that the average*
14 *level of food stamp benefits per household provided by the*
15 *State or political subdivision under such program has ex-*
16 *ceeded the permissible average level of food stamp benefits*
17 *per household for the State or political subdivision in which*
18 *the program was in operation, the State or political sub-*
19 *division shall pay to the Treasury of the United States the*
20 *value of the food stamp benefits in excess of the permissible*
21 *average level of food stamp benefits per household in the*
22 *State or political subdivision within 90 days after the noti-*
23 *fication of such excess payments.*

24 “(d)(1) *A household against which a penalty is im-*
25 *posed (including a reduction in benefits or disqualification)*

1 *for noncompliance with the program established by the*
2 *State under the Temporary Assistance for Needy Families*
3 *Block Grant may have the same penalty imposed against*
4 *it (including a reduction in benefits or disqualification) in*
5 *the program administered under this section.*

6 “(2) *If the penalty for noncompliance with the pro-*
7 *gram established by the State under the Temporary Assist-*
8 *ance for Needy Families Block Grant is a reduction in bene-*
9 *fits in such program, the household shall not receive an in-*
10 *creased allotment under the program administered under*
11 *this section as a result of a decrease in the household’s in-*
12 *come (as determined by the State under this section) caused*
13 *by such penalty.*

14 “(3) *Any household disqualified from the program ad-*
15 *ministered under this subsection may, after such disquali-*
16 *fication period has expired, apply for food stamp benefits*
17 *under this Act and shall be treated as a new applicant.*

18 “(e) *If a State or political subdivision, at its option,*
19 *operates a program under section 4(a)(2) for households*
20 *that include any member who does not receive regular cash*
21 *benefits under the program established by the State under*
22 *the Temporary Assistance for Needy Families Block Grant,*
23 *the Secretary shall ensure that the State plan provides that*
24 *household eligibility shall be determined under this Act,*
25 *benefits may be determined under the rules and procedures*

1 *established by the State under the Temporary Assistance*
2 *for Needy Families Block Grant or this Act, and benefits*
3 *provided under this section shall be equitably distributed*
4 *among all household members.*

5 “(f)(1) *Under the program operated under section*
6 *4(a)(2), the State may elect to provide cash assistance in*
7 *lieu of allotments to all households that include a member*
8 *who is employed and whose employment produces for the*
9 *benefit of the member’s household income that satisfies the*
10 *requirements of paragraph (2).*

11 “(2) *The State, in electing to provide cash assistance*
12 *under paragraph (1), at a minimum shall require that such*
13 *earned income is—*

14 “(A) *not less than \$350 per month;*

15 “(B) *earned from employment provided by a*
16 *nongovernmental employer, as determined by the*
17 *State; and*

18 “(C) *received from the same employer for a pe-*
19 *riod of employment of not less than 3 consecutive*
20 *months.*

21 “(3) *If a State that makes the election described in*
22 *paragraph (1) identifies each household that receives cash*
23 *assistance under this subsection—*

24 “(A) *the Secretary shall pay to the State an*
25 *amount equal to the value of the allotment that such*

1 *household would be eligible to receive under this sec-*
2 *tion but for the operation of this subsection;*

3 *“(B) the State shall provide such amount to the*
4 *household as cash assistance in lieu of such allotment;*
5 *and*

6 *“(C) for purposes of food stamp program (other*
7 *than this section and section 4(a)(2))—*

8 *“(i) such cash assistance shall be considered*
9 *to be an allotment; and*

10 *“(ii) such household shall not receive any*
11 *other food stamp benefit for the period for which*
12 *such cash assistance is provided.*

13 *“(4) A State that makes the election in paragraph (1)*
14 *shall—*

15 *“(A) increase the cash benefits provided to house-*
16 *holds under this subsection to compensate for any*
17 *State or local sales tax that may be collected on pur-*
18 *chases of food by any household receiving cash benefits*
19 *under this subsection, unless the Secretary determines*
20 *on the basis of information provided by the State that*
21 *the increase is unnecessary on the basis of the limited*
22 *nature of the items subject to the State or local sales*
23 *tax; and*

24 *“(B) pay the cost of any increase in cash benefits*
25 *required by paragraph (1).*

1 “(5) After a State operates a program under this sub-
2 section for 2 years, the State shall provide to the Secretary
3 a written evaluation of the impact of cash assistance.

4 “(g) In operating a program under section 4(a)(2), the
5 State or political subdivision may follow the rules and pro-
6 cedures established by the State or political subdivision
7 under the Temporary Assistance for Needy Families Block
8 Grant or under the food stamp program, except that the
9 State or political subdivision shall comply with the require-
10 ments of—

11 “(1) subsections (a) through (g) of section 7 (re-
12 lating to the issuance and use of coupons);

13 “(2) section 8(a) (relating to the value of allot-
14 ments, except that a household’s income may be deter-
15 mined under the program established by the State
16 under the Temporary Assistance for Needy Families
17 Block Grant);

18 “(3) section 8(b) (allotment not considered in-
19 come or resources);

20 “(4) subsections (a), (c), (d), and (n) of section
21 11 (relating to administration);

22 “(5) paragraphs (8), (12), (17), (19), (21), (26),
23 and (27) of section 11(e) (relating to the State plan);

24 “(6) section 11(e)(10) (relating to a fair hearing)
25 or a comparable requirement established by the State

1 *under the Temporary Assistance for Needy Families*
2 *Block Grant; and*

3 “(7) section 16 (relating to administrative cost-
4 *sharing and quality control).*”.

5 *(b) Section 11(e) of the Food Stamp Act of 1977 (7*
6 *U.S.C. 2020(e)) is amended—*

7 *(1) in paragraph (24), by striking “and” at the*
8 *end;*

9 *(2) in paragraph (25), by striking the period at*
10 *the end and inserting “; and”; and*

11 *(3) by adding at the end the following new para-*
12 *graph:*

13 “(26) *the plans of the State agency for operating,*
14 *at the election of the State, a program under section*
15 *(4)(a)(2), including—*

16 “(A) *the rules and procedures to be followed*
17 *by the State to determine food stamp benefits;*

18 “(B) *a statement specifying whether the*
19 *program operated by the State under section*
20 *4(a)(2) will include households that include*
21 *members who do not receive regular cash benefits*
22 *under the program established by the State*
23 *under the Temporary Assistance for Needy Fam-*
24 *ilies Block Grant; and*

1 “(C) a description of the method by which
 2 the State or political subdivision will carry out
 3 a quality control system under section 16(c).”.

4 **SEC. 204. CONFORMING AMENDMENTS.**

5 (a) Section 8 of the Food Stamp Act of 1977 (7 U.S.C.
 6 2017) is amended by striking subsection (e).

7 (b) Section 17 of the Food Stamp Act of 1977 (7 U.S.C.
 8 2026) is amended—

9 (1) by striking subsection (i); and

10 (2) by redesignating subsections (j), (k), and (l)
 11 as subsections (i), (j), and (k), respectively.

12 **Subtitle B—Food Stamp Program**

13 **SEC. 205. THRIFTY FOOD PLAN.**

14 Section 3(o) of the Food Stamp Act of 1977 (7 U.S.C.
 15 2012(o)) is amended by striking “(4) through January 1,
 16 1980, adjust the cost of such diet every January 1 and July
 17 1” and all that follows through the end of the subsection,
 18 and inserting the following: “(4) on October 1, 1995, adjust
 19 the cost of the thrifty food plan to reflect 103 percent of
 20 the cost of the thrifty food plan in June 1994 and increase
 21 such amount by 2 percent, rounding the result to the nearest
 22 lower dollar increment for each household size; and (5) on
 23 October 1, 1996, and each October 1 thereafter, increase the
 24 amount established for the preceding October 1, before such

1 amount was rounded, by 2 percent, rounding the result to
 2 the nearest lower dollar increment for each household size.”.

3 **SEC. 206. INCOME DEDUCTIONS AND ENERGY ASSISTANCE.**

4 (a) Section 5(d)(11) of the Food Stamp Act of 1977
 5 (7 U.S.C. 2014(d)(11)) is amended—

6 (1) by striking “(A)”; and

7 (2) by striking “or (B) under any State or local
 8 laws,” and all that follows through “or impracticable
 9 to do so,”.

10 (b) Section 5(e) of the Food Stamp Act of 1977 (7
 11 U.S.C. 2014(e)) is amended to read as follows:

12 “(e)(1) STANDARD AND EARNED INCOME DEDUC-
 13 TIONS.—(A) In computing household income, the Secretary
 14 shall allow a standard deduction of \$134 a month for each
 15 household, except that households in Alaska, Hawaii,
 16 Guam, and the Virgin Islands of the United States shall
 17 be allowed a standard deduction of \$229, \$189, \$269, and
 18 \$118, respectively.

19 “(B) All households with earned income shall also be
 20 allowed an additional deduction of 20 percent of all earned
 21 income (other than that excluded by subsection (d) of this
 22 section and that earned under section 16(j)), to compensate
 23 for taxes, other mandatory deductions from salary, and
 24 work expenses, except that such additional deduction shall
 25 not be allowed with respect to earned income that a house-

1 *hold willfully or fraudulently fails (as proven in a proceed-*
2 *ing provided for in section 6(b)) to report in a timely man-*
3 *ner.*

4 “(2) *DEPENDENT CARE DEDUCTION.*—*The Secretary*
5 *shall allow households a deduction with respect to expenses*
6 *other than expenses paid on behalf of the household by a*
7 *third party or amounts made available and excluded for*
8 *the expenses under subsection (d)(3), the maximum allow-*
9 *able level of which shall be \$200 a month for each dependent*
10 *child under 2 years of age and \$175 a month for each other*
11 *dependent, for the actual cost of payments necessary for the*
12 *care of a dependent when such care enables a household*
13 *member to accept or continue employment, or training or*
14 *education which is preparatory for employment.*

15 “(3) *EXCESS SHELTER EXPENSE DEDUCTION.*—(A)
16 *The Secretary shall allow households, other than those*
17 *households containing an elderly or disabled member, with*
18 *respect to expenses other than expenses paid on behalf of*
19 *the household by a third party, an excess shelter expense*
20 *deduction to the extent that the monthly amount expended*
21 *by a household for shelter exceeds an amount equal to 50*
22 *percent of monthly household income after all other applica-*
23 *ble deductions have been allowed.*

24 “(B) *Such excess shelter expense deduction shall not*
25 *exceed \$231 a month in the 48 contiguous States and the*

1 *District of Columbia, and shall not exceed, in Alaska, Ha-*
2 *waii, Guam, and the Virgin Islands of the United States,*
3 *\$402, \$330, \$280, and \$171 a month, respectively.*

4 “(C)(i) *Notwithstanding section 2605(f) of the Low-In-*
5 *come Home Energy Assistance Act of 1981 (42 U.S.C.*
6 *8624(f)), a household may not claim as a shelter expense*
7 *any payment received, or costs paid on its behalf, under*
8 *the Low-Income Home Energy Assistance Act of 1981 (42*
9 *U.S.C. 8621 et seq.).*

10 “(ii) *Notwithstanding section 2605(f) of the Low-In-*
11 *come Home Energy Assistance Act of 1981 (42 U.S.C.*
12 *8624(f)), a State agency may use a standard utility allow-*
13 *ance as provided under subparagraph (D) for heating and*
14 *cooling expenses only if the household incurs out-of-pocket*
15 *heating or cooling expenses in excess of any payment re-*
16 *ceived, or costs paid on its behalf, under the Low-Income*
17 *Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et*
18 *seq.).*

19 “(iii) *For purposes of the food stamp program, assist-*
20 *ance provided under the Low-Income Home Energy Assist-*
21 *ance Act of 1981 shall be considered to be prorated over*
22 *the entire heating or cooling season for which it was pro-*
23 *vided.*

24 “(iv) *At the end of any certification period and up*
25 *to one additional time during each twelve-month period, a*

1 *State agency shall allow a household to switch between any*
2 *standard utility allowance and a deduction based on its*
3 *actual utility costs.*

4 “(D)(i) *In computing the excess shelter expense deduc-*
5 *tion, a State agency may use a standard utility allowance*
6 *in accordance with regulations promulgated by the Sec-*
7 *retary, except that a State agency may use an allowance*
8 *which does not fluctuate within a year to reflect seasonal*
9 *variations.*

10 “(ii) *An allowance for a heating or cooling expense*
11 *may not be used for a household that does not incur a heat-*
12 *ing or cooling expense, as the case may be, or does incur*
13 *a heating or cooling expense but is located in a public hous-*
14 *ing unit which has central utility meters and charges house-*
15 *holds, with regard to such expense, only for excess utility*
16 *costs.*

17 “(iii) *No such allowance may be used for a household*
18 *that shares such expense with, and lives with, another indi-*
19 *vidual not participating in the food stamp program, an-*
20 *other household participating in the food stamp program,*
21 *or both, unless the allowance is prorated between the house-*
22 *hold and the other individual, household, or both.*

23 “(4) *HOMELESS SHELTER DEDUCTION.—*

24 “(A) *A State shall develop a standard homeless*
25 *shelter deduction, which shall not exceed \$139 a*

1 *month, for the expenses that may reasonably be ex-*
2 *pected to be incurred by households in which all mem-*
3 *bers are homeless but are not receiving free shelter*
4 *throughout the month. Subject to subparagraph (B),*
5 *the State shall use such deduction in determining the*
6 *eligibility and allotments for such households.*

7 *“(B) The Secretary may prohibit the use of the*
8 *standard homeless shelter deduction for households*
9 *with extremely low shelter costs.*

10 *“(5) ELDERLY AND DISABLED HOUSEHOLDS.—(A)*
11 *The Secretary shall allow households containing an elderly*
12 *or disabled member, with respect to expenses other than ex-*
13 *penses paid on behalf of the household by a third party—*

14 *“(i) an excess medical expense deduction for that*
15 *portion of the actual cost of allowable medical ex-*
16 *penses, incurred by elderly or disabled members, ex-*
17 *clusive of special diets, that exceed \$35 a month; and*

18 *“(ii) an excess shelter expense deduction to the*
19 *extent that the monthly amount expended by a house-*
20 *hold for shelter exceeds an amount equal to 50 percent*
21 *of monthly household income after all other applicable*
22 *deductions have been allowed.*

23 *“(B) State agencies shall offer eligible households a*
24 *method of claiming a deduction for recurring medical ex-*
25 *penses that are initially verified under the excess medical*

1 *expense deduction provided for in subparagraph (A), in lieu*
2 *of submitting information or verification on actual expenses*
3 *on a monthly basis. The method described in the preceding*
4 *sentence shall be designed to minimize the administrative*
5 *burden for eligible elderly and disabled household members*
6 *choosing to deduct their recurrent medical expenses pursu-*
7 *ant to such method, shall rely on reasonable estimates of*
8 *the member's expected medical expenses for the certification*
9 *period (including changes that can be reasonably antici-*
10 *pated based on available information about the member's*
11 *medical condition, public or private medical insurance cov-*
12 *erage, and the current verified medical expenses incurred*
13 *by the member), and shall not require further reporting or*
14 *verification of a change in medical expenses if such a*
15 *change has been anticipated for the certification period.*

16 “(6) *CHILD SUPPORT DEDUCTION.*—Before determin-
17 *ing the excess shelter expense deduction, the Secretary shall*
18 *allow all households a deduction for child support payments*
19 *made by a household member to or for an individual who*
20 *is not a member of the household if such household member*
21 *was legally obligated to make such payments, except that*
22 *the Secretary is authorized to prescribe by regulation the*
23 *methods, including calculation on a retrospective basis, that*
24 *State agencies shall use to determine the amount of the de-*
25 *duction for child support payments.”.*

1 (c) Section 11(e)(3) of the Food Stamp Act of 1977
 2 (7 U.S.C. 2020(e)(3)) is amended by striking “Under the
 3 rules prescribed by the Secretary, a State agency shall de-
 4 velop standard estimates” and all that follows through the
 5 end of the paragraph.

6 **SEC. 207. VEHICLE ALLOWANCE.**

7 Section 5(g)(2) of the Food Stamp Act of 1977 (7
 8 U.S.C. 2014(g)(2)) is amended by striking “a level set by
 9 the Secretary, which shall be \$4,500 through August 31,
 10 1994,” and all that follows through the end of the para-
 11 graph, and inserting “\$4,550.”.

12 **SEC. 208. ELIGIBILITY OF ALIENS.**

13 (a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C.
 14 2014) is amended—

15 (1) by striking subsection (i); and

16 (2) by redesignating subsections (j) through (m)
 17 as subsections (i) through (l), respectively.

18 (b) Section 6(f)(2) of the Food Stamp Act of 1977 (7
 19 U.S.C. 2015(f)(2)) is amended—

20 (1) in subparagraph (B), by inserting the follow-
 21 ing before the semicolon: “, and such alien has ful-
 22 filled the residence requirements and has an applica-
 23 tion pending for naturalization under the Immigra-
 24 tion and Nationality Act, or is a veteran (as defined
 25 in section 101 of title 38, United States Code) with

1 *a discharge characterized as an honorable discharge*
2 *(or is spouse or dependent child of such alien), is on*
3 *active duty (other than active duty for training) in*
4 *the Armed Forces of the United States (or is the*
5 *spouse or dependent child of such alien), or is at least*
6 *75 years of age and has resided in the United States*
7 *for at least 5 years”; and*

8 *(2) in subparagraph (D), by inserting “, but*
9 *such alien shall be eligible only for five years after*
10 *such entry” before the semicolon.*

11 **SEC. 209. WORK REQUIREMENTS.**

12 *(a) Section 6(d) of the Food Stamp Act of 1977 (42*
13 *U.S.C. 2015(d)) is amended—*

14 *(1) in paragraph (1)(A)(i), by striking “an em-*
15 *ployment and training program under paragraph*
16 *(4), to the extent required under paragraph (4), in-*
17 *cluding any reasonable employment requirements as*
18 *are prescribed by the State agency in accordance with*
19 *paragraph (4)” and inserting “a State job search pro-*
20 *gram”;*

21 *(2) in paragraph (2)(A)—*

22 *(A) by striking “title IV of the Social Secu-*
23 *rity Act (42 U.S.C. 602)” and inserting “the*
24 *program established by the State under the Tem-*

1 porary Assistance for Needy Families Block
2 Grant”; and

3 (B) by striking “that is comparable to a re-
4 quirement of paragraph (1)”; and

5 (3) by amending paragraph (4), to read as fol-
6 lows:

7 “(4)(A) Except as provided in subparagraphs
8 (B), (C), and (D), an individual shall not be denied
9 initial eligibility but shall be disqualified from the
10 food stamp program if after 90 days from the certifi-
11 cation of eligibility of such individual the individual
12 was not employed a minimum of 20 hours per week,
13 or does not participate in a program established
14 under section 20 or a comparable program established
15 by the State or local government.

16 “(B) Subparagraph (A) shall not apply in the
17 case of an individual who—

18 “(i) is under eighteen or over fifty years of
19 age;

20 “(ii) is certified by a physician as phys-
21 ically or mentally unfit for employment;

22 “(iii) is a parent or other member of a
23 household with responsibility for the care of a de-
24 pendent; or

1 “(iv) is participating a minimum of 20
2 hours per week and is in compliance with the re-
3 quirements of—

4 “(I) a program under the Job Train-
5 ing Partnership Act (29 U.S.C. 1501 et
6 seq.);

7 “(II) a program under section 236 of
8 the Trade Act of 1974 (19 U.S.C. 2296); or

9 “(III) a program of employment or
10 training operated or supervised by a agency
11 of State or local government which meets
12 standards deemed appropriate by the Gov-
13 ernor; or

14 “(v) would otherwise be exempt under sub-
15 section (d)(2).

16 “(C) Upon request of the State, the Secretary
17 may waive the requirements of subparagraph (A) in
18 the case of some or all individuals within all or part
19 of the State if the Secretary makes a determination
20 that such area—

21 “(i) has an unemployment rate of over 10
22 percent; or

23 “(ii) does not have a sufficient number of
24 jobs to provide employment for individuals sub-
25 ject to this paragraph. The Secretary shall report

1 to the Committee on Agriculture of the House of
2 Representatives and the Committee on Agri-
3 culture, Nutrition, and Forestry of the Senate on
4 the basis on which the Secretary made such a de-
5 cision.

6 “(D) An individual who has been disqualified
7 from the food stamp program under subparagraph
8 (A) may reestablish eligibility for assistance if such
9 person becomes exempt under subparagraph (B) or
10 by—

11 “(i) becoming employed for a minimum of
12 20 hours per week during any consecutive thirty-
13 day period; or

14 “(ii) participating in a program established
15 under section 20 or a comparable program estab-
16 lished by the State or local government.”.

17 (b) Section 16 of the Food Stamp Act of 1977 (7 U.S.C.
18 2025) is amended—

19 (1) by striking subsection (h); and

20 (2) by redesignating subsections (i) and (j) as
21 subsections (h) and (i), respectively.

22 (c) Section 17 of the Food Stamp Act of 1977 (7 U.S.C.
23 2026), as amended by section 204(b), is amended—

24 (1) by striking subsection (d); and

1 (2) by redesignating subsections (e) through (k)
2 as subsections (d) through (j), respectively.

3 (d) Section 20 of the Food Stamp Act of 1977 (7
4 U.S.C. 2029) is amended to read as follows:

5 “SEC. 20. (a)(1) The Secretary shall permit a State
6 that applies and submits a plan in compliance with guide-
7 lines promulgated by the Secretary to operate a program
8 within the State or any political subdivision within the
9 State, under which persons who are required to work under
10 section 6(d)(4) may accept an offer from the State or politi-
11 cal subdivision to perform work on its behalf, or on behalf
12 of a private nonprofit entity designated by the state or po-
13 litical subdivision, in order to continue to qualify for bene-
14 fits after they have initially been judged eligible.

15 “(2) The Secretary shall promulgate guidelines pursu-
16 ant to paragraph (1) which, to the maximum extent prac-
17 ticable, enable a State or political subdivision to design and
18 operate a program that is compatible and consistent with
19 similar programs operated by the State or political subdivi-
20 sion.

21 “(b) To be approved by the Secretary, a program shall
22 provide that participants work, in return for compensation
23 consisting of the allotment to which the household is entitled
24 under section 8(a), with each hour of such work entitling
25 that household to a portion of its allotment equal in value

1 to 100 percent of the higher of the applicable State mini-
2 mum wage or the Federal minimum hourly rate under the
3 Fair Labor Standards Act of 1938.

4 “(c) No State or political subdivision that receives
5 funds provided under this section shall replace any em-
6 ployed worker with an individual who is participating in
7 a program under this section for the purposes of complying
8 with section 6(d)(4). Such an individual may be placed in
9 any position offered by the state or political subdivision
10 that—

11 “(1) is a new position;

12 “(2) is a position that became available in the
13 normal course of conducting the business of the State
14 or political subdivision;

15 “(3) involves performing work that would other-
16 wise be performed on an overtime basis by a worker
17 who is not an individual participating in such pro-
18 gram; or

19 “(4) that is a position which became available by
20 shifting a current employee to an alternate position.

21 “(d) The Secretary shall allocate among the States or
22 political subdivisions in each fiscal year, from funds appro-
23 priated for the fiscal year under section 18(a)(1), the
24 amount of \$75,000,000 to assist in carrying out the pro-
25 gram under this section during the fiscal year.

1 “(e)(1) In making the allocation required under sub-
2 section (d), the Secretary shall allocate to each State operat-
3 ing a program under this section that percentage of the total
4 funds allocated under subsection (d) which equals the esti-
5 mate of the Secretary of the percentage of participants who
6 are required to work under section 6(d)(4) that reside in
7 such State.

8 “(2) The State shall promptly notify the Secretary if
9 such state determines that it will not expend the funds allo-
10 cated it under paragraph (1) and the Secretary shall reallo-
11 cate such funds as the Secretary deems appropriate and eq-
12 uitable.

13 “(f) Notwithstanding subsection (d), the Secretary
14 shall ensure that each State operating a program under this
15 section is allocated at least \$50,000 by reducing, to the ex-
16 tent necessary, the funds allocated to those States allocated
17 more than \$50,000.

18 “(g) If, in carrying out such program during such fis-
19 cal year, a State or political subdivision incurs costs that
20 exceed the amount allocated to the State agency under sub-
21 section (d)—

22 “(1) the Secretary shall pay such state agency
23 an amount equal to 50 percent of such additional
24 costs, subject to the first limitation in paragraph (2);
25 and

1 “(2) the Secretary shall also reimburse each
2 State agency in an amount equal to 50 percent of the
3 total amount of payments made or costs incurred by
4 the State or political subdivision in connection with
5 transportation costs and other expenses reasonably
6 necessary and directly related to participation in a
7 program under this section, except that such total
8 amount shall not exceed an amount representing \$25
9 per participant per month for costs of transportation
10 and other actual costs and cash reimbursement shall
11 not be made out of funds allocated under subsection
12 (d).

13 “(h) The Secretary may suspend or cancel some or all
14 of these payments, or may withdraw approval from a State
15 or political subdivision to operate a program, upon a find-
16 ing that the State or political subdivision has failed to com-
17 ply with the requirements of this section.”.

18 (e) Section 7(i)(6) of the Food Stamp Act of 1977 (7
19 U.S.C. 2015(i)(6)) is amended by striking “section 17(f)”
20 and inserting “17(e)”.

21 **SEC. 210. COMPARABLE TREATMENT OF DISQUALIFIED IN-**
22 **DIVIDUALS.**

23 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
24 2015) is amended by adding at the end the following new
25 subsection:

1 “(i) An individual who is a member of a household
2 who would otherwise be eligible to participate in the food
3 stamp program under this section and who has been dis-
4 qualified for noncompliance with program requirements
5 from the program established by the State under part A
6 of title IV of the Social Security Act (42 U.S.C. 601 et seq.)
7 shall not be eligible to participate in the food stamp pro-
8 gram during the period such disqualification is in effect.”.

9 **SEC. 211. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**
10 **SYSTEMS.**

11 (a) Section 7(i) of the Food Stamp Act of 1977 (7
12 U.S.C. 201(i)) is amended—

13 (1) by amending paragraph (1) to read as fol-
14 lows:

15 “(1)(A) State agencies are encouraged to imple-
16 ment an on-line electronic benefit transfer system in
17 which household benefits determined under section
18 8(a) or section 24 are issued from and stored in a
19 central data bank and electronically accessed by
20 household members at the point-of-sale.

21 “(B) Subject to paragraph (2), a State is author-
22 ized to procure and implement an on-line electronic
23 benefit transfer system under the terms, conditions,
24 and design that the State deems appropriate.

1 “(C) Upon request of a State, the Secretary may
 2 waive any provision of this Act prohibiting the effec-
 3 tive implementation of an electronic benefit transfer
 4 system under this subsection.”;

5 (2) in paragraph (2), by striking “the approval
 6 of”; and

7 (3) in paragraph (3), by striking “the Secretary
 8 shall not approve such a system unless—” and insert-
 9 ing “such system shall provide that—”.

10 (b) The Food Stamp Act of 1977 (7 U.S.C. 2011 et
 11 seq.), as amended by section 203(a), is amended by adding
 12 at the end the following new section:

13 **“SEC. 25. ENCOURAGEMENT OF ELECTRONIC BENEFIT**
 14 **TRANSFER SYSTEMS.**

15 “(a) Upon fully implementing an electronic benefit
 16 transfer system which operates in the entire State, a State
 17 may, subject to the provisions of this section, elect to receive
 18 a grant for any fiscal year to operate a low-income nutri-
 19 tion assistance program in such fiscal year in lieu of the
 20 food stamp program.

21 “(b)(1) A State that meets the requirements of this sec-
 22 tion and elects to operate such program, shall receive each
 23 fiscal year under this section sum of—

1 “(A)(i) the total dollar value of all benefits is-
2 sued under the food stamp program by the State dur-
3 ing fiscal year 1994; or

4 “(ii) the average per fiscal year of the total dol-
5 lar value of all benefits issued under the food stamp
6 program by the State during fiscal years 1992
7 through 1994; and

8 “(B) the total amount received by the State for
9 administrative costs under section 16(a) for fiscal
10 year 1994 or the average per fiscal year of the total
11 amount received by the State for administrative costs
12 under section 16(a) for fiscal years 1992 through
13 1994.

14 “(2) Upon approval by the Secretary of the plan sub-
15 mitted by a State under subsection (c), the Secretary shall
16 pay to the State at such times and in such manner as the
17 Secretary may determine, the amount to which the State
18 is eligible under subsection (b)(1).

19 “(c) To be eligible to operate a low-income nutrition
20 assistance program under this section, a State shall submit
21 for approval each fiscal year a plan of operation specifying
22 the manner in which such a program will be conducted by
23 the State. Such plan shall—

1 “(1) certify that the State has implemented a
2 state-wide electronic benefit transfer system in accord-
3 ance with section 7(i);

4 “(2) designate a single State agency responsible
5 for the administration of the low-income nutrition as-
6 sistance program under this section;

7 “(3) assess the food and nutrition needs of needy
8 persons residing in the State;

9 “(4) limit the assistance to be provided under
10 this section to the purchase of food;

11 “(5) describe the persons to whom such assistance
12 will be provided;

13 “(6) assure the Secretary that assistance will be
14 provided to the most needy persons in the State and
15 that applicants for assistance shall have adequate no-
16 tice and fair hearings comparable to those required
17 under section 11;

18 “(7) provide that, in the operation of the low-in-
19 come nutrition assistance program, there shall be no
20 discrimination on the basis of race, sex, religion, na-
21 tional origin, or political beliefs; and

22 “(8) include other information as may be re-
23 quired by the Secretary.

24 “(d) Payments made under this section to the State
25 may be expended only in the fiscal year for which such pay-

1 ments are distributed, except that the State may reserve up
2 to 5 percent of the grant received for a fiscal year to provide
3 assistance under this section in the subsequent fiscal year:
4 Provided, That such reserved funds may not total more than
5 20 percent of the total grant received under this section for
6 a fiscal year.

7 “(e) The State agency shall keep records concerning the
8 operation of the program carried out under this section and
9 shall make such records available to the Secretary and the
10 Comptroller General of the United States.

11 “(f) If the Secretary finds that there is substantial fail-
12 ure by a State to comply with the requirements of this sec-
13 tion, regulations issued pursuant to this section, or the plan
14 approved under subsection (c), then the Secretary shall take
15 one or more of the following actions:

16 “(1) Suspend all or part of such payment au-
17 thorized by subsection (b)(2) to be made available to
18 such State, until the Secretary determines the State
19 to be in substantial compliance with such require-
20 ments.

21 “(2) Withhold all or part of such payments until
22 the Secretary determines that there is no longer fail-
23 ure to comply with such requirements, at which time
24 the withheld payment may be paid.

1 “(3) Terminate the authority of the State to op-
2 erate the low-income nutrition assistance program.

3 “(g)(1) States which receive grants under this section
4 shall provide for—

5 “(A) a biennial audit, conducted in accordance
6 with the standards of the Comptroller General, of ex-
7 penditures for the provision of nutrition assistance
8 under this section; and

9 “(B) not later than 120 days of the end of each
10 fiscal year in which an audit is conducted, provide
11 the Secretary with such audit.

12 States shall make the report of such audit available for pub-
13 lic inspection.

14 “(2) Not later than 120 days after the end of the fiscal
15 year for which a State receives a grant under this section,
16 such State shall prepare an activities report comparing ac-
17 tual expenditures for such fiscal year for nutrition assist-
18 ance under this section with the expenditures for such fiscal
19 year predicted in the plan submitted in accordance with
20 subsection (c). Such State shall make the activities report
21 available for public inspection.

22 “(h) Whoever knowingly and willfully embezzles,
23 misapplies, steals, or obtains by fraud, false statement, or
24 forgery, any funds, assets, or property provided or financed

1 *under this section shall be fined not more than \$10,000 or*
 2 *imprisoned for not more than 5 years, or both.”.*

3 **SEC. 212. VALUE OF MINIMUM ALLOTMENT.**

4 *Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C.*
 5 *2017(a)) is amended by striking “, and shall be adjusted*
 6 *on each October 1” and all that follows through the end*
 7 *of such subsection, and inserting a period.*

8 **SEC. 213. INITIAL MONTH BENEFIT DETERMINATION.**

9 *Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7*
 10 *U.S.C. 2017(c)(2)(B)) is amended by striking “of more than*
 11 *one month” after “following any period”.*

12 **SEC. 214. IMPROVING FOOD STAMP PROGRAM MANAGE-**
 13 **MENT.**

14 *(a) Section 13(a)(1) of the Food Stamp Act of 1977*
 15 *(7 U.S.C. 2022(a)(1)) is amended—*

16 *(1) in the fifth sentence, by inserting “(after a*
 17 *determination on any request for a waiver for good*
 18 *cause related to the claim has been made by the Sec-*
 19 *retary)” after “bill for collection”; and*

20 *(2) in the sixth sentence, by striking “1 year”*
 21 *and inserting “2 years”.*

22 *(b) Section 16(c) of the Food Stamp Act of 1977 (7*
 23 *U.S.C. 2025(c)) is amended—*

24 *(1) in paragraph (1)(C)—*

1 (A) by striking “national performance
2 measure” and inserting “payment error toler-
3 ance level”; and

4 (B) by striking “equal to—” and all that
5 follows through the period at the end and insert-
6 ing the following: “equal to its payment error
7 rate less such tolerance level times the total value
8 of allotments issued in such a fiscal year by such
9 State agency. The amount of liability shall not
10 be affected by corrective action under subpara-
11 graph (B).”;

12 (2) in paragraph (3)(A), by striking “120 days”
13 and inserting “60 days (or 90 days at the discretion
14 of the Secretary)”;

15 (3) in the last sentence of paragraph (6), by in-
16 serting “shall be used to establish a payment-error
17 tolerance level. Such tolerance level for any fiscal year
18 will be one percentage point added to the lowest na-
19 tional performance measure ever announced up to
20 and including such fiscal year under this section. The
21 payment-error tolerance level” after “The announced
22 national performance measure”; and

23 (4) by striking paragraphs (8) and (9).

1 **SEC. 215. WORK SUPPLEMENTATION OR SUPPORT PRO-**
2 **GRAM.**

3 (a) *Section 11(e) of the Food Stamp Act of 1977*
4 *(7 U.S.C. 2020(e)), as amended by section 203(b), is*
5 *amended—*

6 (1) *in paragraph (25), by striking “and”;*

7 (2) *in paragraph (26), by striking the period*
8 *and inserting “; and” at the end; and*

9 (3) *by adding at the end the following new para-*
10 *graph:*

11 “(27) *the plans of the State agency for including*
12 *eligible food stamp recipients in a work*
13 *supplementation or support program under section*
14 *16(j).”.*

15 (b) *Section 16 of the Food Stamp Act of 1977 (7 U.S.C.*
16 *2025), as amended by section 209(b), is amended by adding*
17 *at the end the following new subsection:*

18 “(j) *WORK SUPPLEMENTATION OF SUPPORT PRO-*
19 *GRAM.—(1) A State may elect to use the sums equal to the*
20 *food stamp benefits that would otherwise be allotted to par-*
21 *ticipants under the food stamp program but for the oper-*
22 *ation of this subsection for the purposes of providing and*
23 *subsidizing or supporting jobs under a work*
24 *supplementation or support program established by the*
25 *State.*

1 “(2) If a State that makes the election described in
2 paragraph (1) identifies each household that participates
3 in the food stamp program which contains an individual
4 who is participating in such work supplementation or sup-
5 port program—

6 “(A) the Secretary shall pay to the State an
7 amount equal to the value of the allotment that the
8 household would be eligible to receive but for the oper-
9 ation of this subsection;

10 “(B) the State shall expend such amount in ac-
11 cordance with its work supplementation or support
12 program in lieu of the allotment that the household
13 would receive but for the operation of this subsection;

14 “(C) for purposes of—

15 “(i) sections 5 and 8(a), the amount re-
16 ceived under this subsection shall be excluded
17 from household income and resources; and

18 “(ii) section 8(b), the amount received
19 under this subsection shall be considered as the
20 value of an allotment provided to the household;
21 and

22 “(D) The household shall not receive an allot-
23 ment from the State agency for the period during
24 which the member continues to participate in the
25 work supplementation program.

1 “(3) No person shall be excused by reason of the fact
 2 that such State has a work supplementation or support pro-
 3 gram from any work requirement under section 6(d), except
 4 during the periods in which such individual is employed
 5 under such work supplementation or support program.

6 “(4) For purposes of this subsection, the term ‘work
 7 supplementation or support program’ shall mean a pro-
 8 gram in which, as determined by the Secretary, public as-
 9 sistance, including any benefits provided under a program
 10 established by the State and the food stamp program, is
 11 provided to an employer to be used for hiring a public as-
 12 sistance recipient.”.

13 **SEC. 216. OBLIGATIONS AND ALLOTMENTS.**

14 Section 18 of the Food Stamp Act of 1977 (7 U.S.C.
 15 2027) is amended—

16 (1) in subsection (a)—

17 (A) in paragraph (1)—

18 (i) by striking “are authorized to be
 19 appropriated such sums as are necessary for
 20 each of the fiscal years 1991 through 1995”
 21 and inserting the following: “is provided to
 22 be obligated, not in excess of the cost esti-
 23 mate made by the Congressional Budget Of-
 24 fice for this Act, as amended by the Food
 25 Stamp Simplification and Reform Act of

1 1995, for the fiscal year ending September
2 30, 1996, with adjustments for any esti-
3 mates of total obligations for additional fis-
4 cal years made by the Congressional Budget
5 Office to reflect the provisions contained in
6 the Food Stamp Simplification and Reform
7 Act of 1995”;

8 (ii) by striking “In each monthly re-
9 port, the Secretary shall also state” and in-
10 serting “Also, the Secretary shall file a re-
11 port every February 15, April 15, and July
12 15, stating”; and

13 (iii) by striking “supplemental appro-
14 priations” and inserting “additional
15 obligational authority”; and

16 (B) in paragraph (2), by striking “author-
17 ized to be appropriated” and inserting “obli-
18 gated”;

19 (2) in subsection (b)—

20 (A) in the first sentence, by striking “ap-
21 propriation” and inserting “total obligations
22 limitation provided”; and

23 (B) in the second sentence, by striking “ap-
24 propriation” and inserting “obligational amount
25 provided in subsection (a)(1)”;

1 (3) *in subsection (c)—*

2 (A) *by inserting “or under section 24” after*
3 *“under sections 5(d) and 5(e)”;*

4 (B) *by inserting “or under section 24” after*
5 *“under section 5(c)”;*

6 (C) *by striking “and” after “or otherwise*
7 *disabled”;* *and*

8 (D) *by inserting before the period at the end*
9 *“; and (3) adequate and appropriate rec-*
10 *ommendations on how to equitably achieve such*
11 *reductions”;* *and*

12 (4) *in subsection (f), by striking “No funds ap-*
13 *propriated” and inserting “None of the funds obli-*
14 *gated”.*

15 ***Subtitle C—Program Integrity***

16 ***SEC. 301. AUTHORITY TO ESTABLISH AUTHORIZATION PE-***
17 ***RIODS.***

18 *Section 9(a)(1) of the Food Stamp Act of 1977 (7*
19 *U.S.C. 2018(a)(1)) is amended by adding at the end the*
20 *following new sentence: “The Secretary shall establish spe-*
21 *cific time periods during which authorization to accept and*
22 *redeem coupons or redeem benefits through an electronic*
23 *benefit transfer system under the food stamp program shall*
24 *be valid.”.*

1 **SEC. 302. CONDITION PRECEDENT TO APPROVAL OF RETAIL**
2 **FOOD STORES AND WHOLESALE FOOD CON-**
3 **CERNS.**

4 *Section 9(a)(1) of the Food Stamp Act of 1977 (7*
5 *U.S.C. 2018(a)(1)), as amended by section 301, is amended*
6 *by adding at the end the following new sentence: “No retail*
7 *food store or wholesale food concern shall be approved for*
8 *participation in the food stamp program unless an author-*
9 *ized employee of the Department of Agriculture, or an offi-*
10 *cial of the State or local government designated by the De-*
11 *partment of Agriculture, wherever possible, has visited such*
12 *retail food store or wholesale food concern for the purpose*
13 *of determining whether such retail food store or wholesale*
14 *food concern should be so approved.”.*

15 **SEC. 303. WAITING PERIOD FOR RETAIL FOOD STORES AND**
16 **WHOLESALE FOOD CONCERNS THAT ARE DE-**
17 **NIED APPROVAL TO ACCEPT COUPONS.**

18 *Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C.*
19 *2018(d)) is amended by adding at the end the following*
20 *new sentence: “Such retail food store or wholesale food con-*
21 *cern shall not submit an application under subsection*
22 *(a)(1) for six months from the date of receipt of the notice*
23 *of denial.”.*

1 **SEC. 304. DISQUALIFICATION OF RETAIL FOOD STORES AND**
2 **WHOLESALE FOOD CONCERNS.**

3 *Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C.*
4 *2021(a)) is amended—*

5 *(1) by inserting “(1)” after “(a); and*

6 *(2) by inserting the following new paragraph:*

7 *“(2) A retail food store or wholesale food concern that*
8 *is disqualified from participating in the program under*
9 *section 17 of the Child Nutrition Act of 1966 shall for such*
10 *period of disqualification also be disqualified from partici-*
11 *pating in the food stamp program.”.*

12 **SEC. 305. AUTHORITY TO SUSPEND STORES VIOLATING**
13 **PROGRAM REQUIREMENTS PENDING ADMIN-**
14 **ISTRATIVE AND JUDICIAL REVIEW.**

15 *Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C.*
16 *2023(a)) is amended by adding at the end the following*
17 *new sentence: “Notwithstanding any other provision of law,*
18 *the permanent disqualification of a retail food store or*
19 *wholesale food concern under section 12(b)(3) shall be effec-*
20 *tive from the date of receipt of the notice of disqualifica-*
21 *tion.”.*

22 **SEC. 306. CRIMINAL FORFEITURE.**

23 *Section 15(g) of the Food Stamp Act of 1977 (7 U.S.C.*
24 *2024(g)) is amended to read as follows:*

25 *“(g)(1) The court, in imposing sentence on a person*
26 *convicted of an offense in violation of subsection (b) or (c),*

1 *shall order, in addition to any other sentence imposed pur-*
2 *suant to this subsection, that the person forfeit to the United*
3 *States all property described in paragraph (2).*

4 “(2) All property, real and personal, used in a trans-
5 action or attempted transaction, to commit, or to facilitate
6 the commission of, a violation (other than a misdemeanor)
7 of subsection (b) or (c), or proceeds traceable to a violation
8 of subsection (b) or (c), is subject to forfeiture to the United
9 States.

10 “(3) No property shall be forfeited under this sub-
11 section to the extent of an interest of an owner, by reason
12 of any act or omission established by that owner to have
13 been committed or omitted without the knowledge or consent
14 of that owner.

15 “(4) The proceeds from any sale of forfeited property
16 and any monies forfeited under this subsection shall be
17 used—

18 “(A) to reimburse the Department of Justice for
19 the costs incurred by the Department to initiate and
20 complete the forfeiture proceeding that caused the sale
21 that produced such proceeds;

22 “(B) to reimburse the Department of Agriculture
23 Office of Inspector General for any costs it incurred
24 in the law enforcement effort resulting in the forfeit-
25 ure;

1 “(C) to reimburse any Federal or State law en-
 2 forcement agencies for any costs incurred in the law
 3 enforcement effort resulting in the forfeiture; and

4 “(D) by the Secretary to carry out the approval,
 5 reauthorization, and compliance investigations of re-
 6 tail stores under section 9.”.

7 **SEC. 307. EXPANDED DEFINITION OF “COUPON”.**

8 Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C.
 9 2012(d)) is amended by striking “or type of certificate” and
 10 inserting “type of certificate, authorization cards, cash or
 11 checks issued in lieu of coupons, or access devices, including,
 12 but not limited to, electronic benefit transfer cards or per-
 13 sonal identification numbers”.

14 **SEC. 308. DOUBLED PENALTIES FOR VIOLATING FOOD**
 15 **STAMP PROGRAM REQUIREMENTS.**

16 Section 6(b)(1) of the Food Stamp Act of 1977 (7
 17 U.S.C. 2015(b)(1)) is amended—

18 (1) in clause (i), by striking “six months” and
 19 inserting “1 year”; and

20 (2) in clause (ii), by striking “1 year” and in-
 21 serting “2 years”.

22 **SEC. 309. DISQUALIFICATION OF CONVICTED INDIVIDUALS.**

23 Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7
 24 U.S.C. 2015(b)(1)(iii)) is amended—

25 (1) in subclause (II), by striking “or” at the end;

1 (2) in subclause (III), by striking the period at
2 the end and inserting “; or”; and

3 (3) by adding at the end the following new
4 subclause:

5 “(IV) a conviction of an offense under
6 subsection (a) or (b) of section 15 involving
7 items referred to in such subsection having
8 a value of \$500 or more.”.

9 **SEC. 310. CLAIMS COLLECTION.**

10 (a) Section 11(e)(8) of the Food Stamp Act of 1977
11 (7 U.S.C. 2020(e)(8)) is amended by inserting before the
12 semicolon at the end “or refunds of Federal taxes as author-
13 ized pursuant to section 3720A of title 31 of the United
14 States Code”.

15 (b) Section 13(d) of the Act (7 U.S.C. 2022(d)) is
16 amended—

17 (1) by striking “may” and inserting “shall”;
18 and

19 (2) by inserting before the period at the end “or
20 refunds of Federal taxes as authorized pursuant to
21 section 3720A of title 31 of the United States Code”.

1 ***Subtitle D—Effective Dates and Miscellaneous***
2 ***Provisions***

3 ***SEC. 401. EFFECTIVE DATES.***

4 *(a) Except as provided in subsection (b) and (c), this*
5 *Act and amendments made by this Act shall take effect on*
6 *October 1, 1995.*

7 *(b) The amendments made by section 208 shall take*
8 *effect on October 1, 1996.*

9 *(c) The amendments made by section 214 shall take*
10 *effect on October 1, 1994.*

11 ***SEC. 402. SENSE OF THE CONGRESS.***

12 *It is the sense of the Congress that States that operate*
13 *electronic benefit systems to transfer benefits provided under*
14 *the Food Stamp Act of 1977 should operate electronic bene-*
15 *fit systems that are compatible with each other.*

16 ***SEC. 403. DEFICIT REDUCTION.***

17 *It is the sense of the Committee on Agriculture of the*
18 *House of Representatives that reductions in outlays result-*
19 *ing from this title shall not be taken into account for pur-*
20 *poses of section 252 of the Balanced Budget and Emergency*
21 *Deficit Control Act of 1985.*